# 3Q 2026 Earnings



October 21, 2026
ibm.com/investor

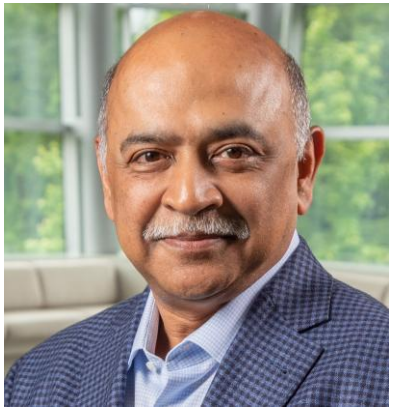
# Forward-looking statements and non-GAAP information

Certain comments made in this presentation may be characterized as forward looking under the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on the company's current assumptions regarding future business and financial performance. Those statements by their nature address matters that are uncertain to different degrees. Those statements involve a number of factors that could cause actual results to differ materially. Additional information concerning these factors is contained in the Company's filings with the SEC. Copies are available from the SEC, from the IBM website, or from IBM Investor Relations. Any forward-looking statement made during this presentation speaks only as of the date on which it is made. The company assumes no obligation to update or revise any forward-looking statements except as required by law; these charts and the associated remarks and comments are integrally related and are intended to be presented and understood together.

In an effort to provide additional and useful information regarding the company's financial results and other financial information as determined by generally accepted accounting principles (GAAP), the company also discusses, in its earnings press release and presentation materials, certain non-GAAP information including operating earnings and other "operating" financial measures, free cash flow, net cash from operating activities excluding IBM Financing receivables, adjusted EBITDA, adjusted EBITDA margin and adjustments for currency. The rationale for management's use of this non-GAAP information is included as Exhibit 99.2 to the company's Form 8-K submitted to the SEC on October 21, 2026. The reconciliation of non-GAAP information to GAAP is included in the press release within Exhibit 99.1 to the company's Form 8-K submitted to the SEC on October 21, 2026, and in this presentation on the slides entitled "Non-GAAP supplemental materials". The reconciliation of IBM's FY operating pre-tax income guidance to GAAP is included in the company's 4Q 2025 earnings charts posted at https://www.ibm.com/investor/financial-reporting.

To provide better transparency, from time to time the company may discuss management performance metrics including annual recurring revenue, Red Hat annual bookings, GenAI book of business, Consulting signings, book-to-bill and backlog. The metrics are used to monitor the performance of the business and are viewed as useful decision-making information for management and stakeholders. The rationale for management's use of these performance metrics and their calculation, are included in Exhibit 99.2 to the company's Form 8-K submitted to the SEC on October 21, 2026, or in the Management Discussion section of the company's 2025 Annual Report, which is Exhibit 13 to the Form 10-K submitted with the SEC on February 24, 2026. For other related information please visit the Company's investor relations website at:

https://www.ibm.com/investor/events/earnings-3q26



Arvind Krishna
Chairman, President and
Chief Executive Officer



James Kavanaugh
SVP, Finance & Operations
and Chief Financial Officer

# CEO perspective

"Disciplined execution throughout the quarter drove accelerated revenue growth and strong free cash flow. Our clients are now deploying Super Intelligence in ways that transform entire operating models, instead of simply addressing narrow or novel problems. IBM's technology and expertise are helping organizations drive growth and serve customers with greater speed, precision and efficiency than ever before.

For the full year, we continue to expect constant currency revenue growth in the range of four-to-five percent, and we now expect free cash flow to increase by more than $1 billion year-over-year."

Arvind Krishna
*IBM Chairman, President and CEO*

# Financial highlights

3Q26

**$17.1B**
Revenue

**$7.8B**
Free cash flow-3QYTD

"Demand across our portfolio combined with strong operational execution led to accelerated growth and solid operating pre-tax margin expansion in the quarter.

Just as we are helping clients extract value from their operations with Super Intelligence, we are driving tangible returns through our productivity initiatives inside IBM. This approach fuels profit and free cash flow growth and enables us to continue to invest in our business while returning value to shareholders through our dividend."

James Kavanaugh
*IBM SVP & CFO*

**6%**
Revenue growth yr/yr

**8%**
Free cash flow yr/yr-3QYTD

**>60bps**
Adjusted EBITDA margin expansion

**7%**
Adjusted EBITDA growth

**70bps**
Pre-tax margin expansion (operating)

**11%**
Diluted EPS growth (operating)

Revenue growth rates @CC

# Software

Double-digit growth across 3 of our 4 sub-segments

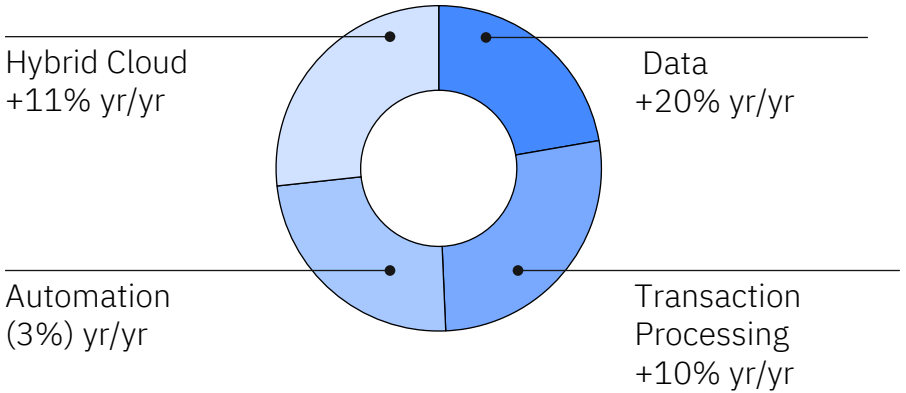
Red Hat growth of 11% yr/yr; OpenShift ARR growth accelerated to over 30%

Solid recurring base; ARR of $24.9B, +8% yr/yr

Segment profit margin expansion of 210 bps driven by productivity actions

| $7.8B | +9% |
| --- | --- |
| Revenue | Revenue growth |

**Revenue categories-3Q26**



# Infrastructure

Infrastructure revenue accelerated to 5% growth driven by 32% growth in Distributed Infrastructure

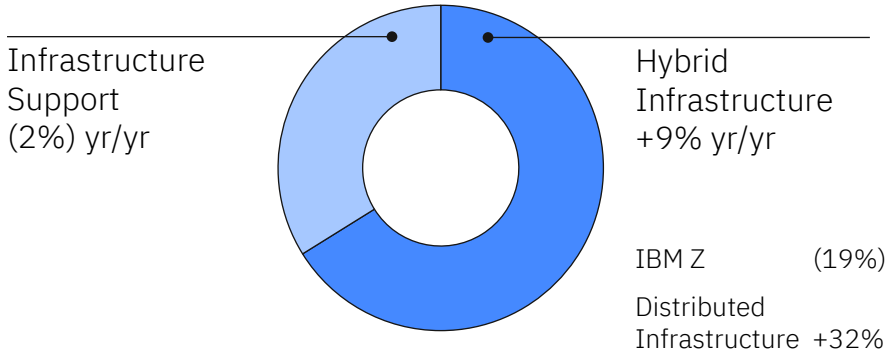
Storage delivered record revenue growth and gained market share across the portfolio

z17 continues to outperform the prior generation, delivering >$1 billion incremental revenue and a record mid-range launch

Segment profit margin expansion of 120 bps

| $3.7B | +5% |
| --- | --- |
| Revenue | Revenue growth |

**Revenue categories-3Q26**




3Q26 results; revenue growth rates @CC

# Consulting

Revenue growth accelerated, driven by AI-led transformation and nearly double-digit growth in Cybersecurity

Generative AI increasingly embedded across Consulting engagements representing 35% of backlog

Trailing twelve-month book-to-bill remains above 1.0

Continued focus on productivity and asset led-delivery

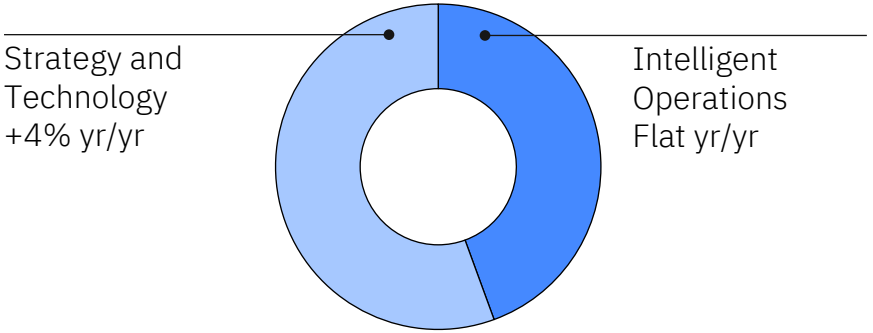
$5.3B

Revenue

+2%

Revenue growth

**Revenue categories-3Q26**




3Q26 results; revenue growth rates @CC

# Summary

## 3Q26 Summary

Revenue growth of 6%, reflects acceleration across our segments

Accelerated productivity actions enabled 70 basis points of pre-tax* margin expansion and 11% diluted EPS* growth

Generated $7.8 billion of free cash flow year-to-date, up 8% year over year

Finalized agreement with the U.S. Department of Commerce for $1 billion CHIPS award to accelerate R&D for U.S.–based quantum foundry

Maintained a strong liquidity position and solid investment grade balance sheet

## 2026 Expectations

Continue to expect full year revenue growth of 4-5%

Continue to expect 100 basis points of operating pre-tax margin expansion

Raising our expectation for free cash flow growth to more than $1 billion

*Pre-tax margin & diluted EPS – operating
Revenue growth rates @CC

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# Supplemental material

Revenue and P&L highlights

Adjusted EBITDA performance

Cash flow and balance sheet highlights

Currency impact on revenue growth

Software & Infrastructure segment details

Consulting segment details

Expense summary

Balance sheet summary

Free cash flow summary

Statement of cash flows

Software segment categories

Consulting segment categories

Infrastructure segment categories

Non-GAAP supplemental materials

Some columns and rows in these materials, including the supplemental exhibits, may not add due to rounding

# Revenue and P&L highlights

| Revenue highlights | 3Q26 | B/(W) Yr/Yr |
|---|---|---|
| Revenue | $17.1 | 6% |
| | | |
| Americas | $8.6 | 5% |
| Europe/ME/Africa | $5.4 | 4% |
| Asia Pacific | $3.1 | 10% |

| Operating P&L highlights $ | 3Q26 | B/(W) Yr/Yr |
|---|---|---|
| Gross profit | $10.0 | 4% |
| Expense | $6.7 | (2%) |
| Pre-tax income | $3.3 | 9% |
| Net income | $2.8 | 12% |
| Earnings per share | $2.95 | 11% |
| Adjusted EBITDA | $4.9 | 7% |

| Operating P&L highlights % | 3Q26 | B/(W) Yr/Yr |
|---|---|---|
| Gross profit margin | 58.5% | (0.2 pts) |
| Expense E/R | 39.2% | 0.9 pts |
| Pre-tax income margin | 19.3% | 0.7 pts |
| Net income margin | 16.4% | 1.0 pts |
| Tax rate | 14.7% | 2.3 pts |

Revenue growth rates @CC, $ in billions

# Adjusted EBITDA performance

| | QTD 3Q26 | Yr/Yr | YTD 3Q26 | Yr/Yr |
|---|---|---|---|---|
| Operating (non-GAAP) pre-tax income from continuing operations | $3.3 | $0.3 | $8.7 | $0.7 |
| Net interest expense | $0.4 | $0.1 | $1.1 | $0.2 |
| Depreciation/amortization of non-acquired intangible assets | $0.7 | $0.0 | $2.1 | $0.0 |
| Stock-based compensation | $0.5 | $0.1 | $1.5 | $0.3 |
| Workforce rebalancing charges | $0.0 | $0.0 | $0.4 | $0.0 |
| Corporate (gains) and charges* | $0.0 | $0.0 | ($0.2) | ($0.2) |
| Adjusted EBITDA | $4.9 | $0.3 | $13.7 | $1.0 |

$ in billions
*Mainly consists of unique corporate actions such as gains on divestitures and asset sales

# Cash flow and balance sheet highlights

| Cash flow | 3Q26 YTD | Yr/Yr |
|---|---|---|
| Net cash from operations* | $9.0 | $0.7 |
| Free cash flow** | $7.8 | $0.6 |

| Select uses of cash | 3Q26 YTD | Yr/Yr |
|---|---|---|
| Net capital expenditures | $1.2 | $0.1 |
| Acquisitions | $11.4 | $3.5 |
| Dividends | $4.8 | $0.1 |

| Balance sheet | Sep 26 | Dec 25 | Sep 25 |
|---|---|---|---|
| Cash & marketable securities | $11.1 | $14.5 | $14.9 |
| Total debt | $63.8 | $61.3 | $63.1 |

| Select debt measures | Sep 26 | Dec 25 | Sep 25 |
|---|---|---|---|
| IBM Financing debt | $12.7 | $15.1 | $11.3 |
| Core (non-IBM Financing) debt | $51.2 | $46.2 | $51.8 |

$ in billions
*Non-GAAP financial measure; excludes Financing receivables
**Non-GAAP financial measure; adjusts for Financing receivables and net capital expenditures

# Currency impact on revenue growth

| Quarterly averages per US $ | 3Q26 | Yr/Yr | Spot Assumed* | 4Q26 | FY26 | 1Q27 | 2Q27 | FY27 |
|---|---|---|---|---|---|---|---|---|
| Euro | 0.87 | (2%) | 0.90 | (5%) | 2% | (5%) | (5%) | (3%) |
| Pound | 0.74 | (0%) | 0.76 | (1%) | 2% | (3%) | (2%) | (2%) |
| Yen | 159 | (8%) | 159 | (3%) | (6%) | (1%) | 0% | (0%) |
| Revenue impact, future @assumed spot* | | | | ~(1-1.5 pts) | ~0 pts | ~(1.5 pts) | ~(1-1.5 pts) | ~(1 pts) |
| *Prior view* | | ~(1.5 pts) | | ~(1 pts) | ~0 pts | | | |

| | US $B | Yr/Yr |
|---|---|---|
| Revenue as reported | $17.1 | 5% |
| Currency impact | ($0.1) | (1 pts) |
| Revenue @CC | | 6% |

*Spot Rates as of October 14, 2026

# Software & Infrastructure segment details

| Software segment | 3Q26 | B/(W) Yr/Yr |
|---|---|---|
| Revenue | $7.8 | 9% |
| Hybrid Cloud | $2.1 | 11% |
| Automation | $1.9 | (3%) |
| Data | $1.7 | 20% |
| Transaction Processing | $2.1 | 10% |
| Segment profit | $2.7 | 15% |
| Segment profit margin | 35.0% | 2.1 pts |
| Annual recurring revenue | $24.9 | 8% |

| Infrastructure segment | 3Q26 | B/(W) Yr/Yr |
|---|---|---|
| Revenue | $3.7 | 5% |
| Hybrid Infrastructure | $2.5 | 9% |
| IBM Z | | (19%) |
| Distributed Infrastructure | | 32% |
| Infrastructure Support | $1.3 | (2%) |
| Segment profit | $0.7 | 11% |
| Segment profit margin | 19.3% | 1.2 pts |

$ in billions
Revenue & ARR growth rates @CC

# Consulting segment details

| Consulting segment | 3Q26 | B/(W) Yr/Yr |
|---|---|---|
| Revenue | $5.3 | 2% |
| Strategy and Technology | $3.0 | 4% |
| Intelligent Operations | $2.4 | Flat |
| Gross profit margin | 27.4% | (1.9 pts) |
| Segment profit | $0.7 | (5%) |
| Segment profit margin | 12.2% | (0.6 pts) |
| | | |
| Signings | $5.0 | (2%) |
| Book-to-bill ratio (TTM) | 1.04 | |

Revenue & signings growth rates @CC, $ in billions

# Expense summary

| Expense | 3Q26 | B/(W) Yr/Yr | Currency | Acq/ Divest* | Base** |
|---|---|---|---|---|---|
| Operating expense & other income | $6.7 | (2%) | 2 pts | (5 pts) | 1 pts |
| SG&A – operating | $4.2 | 5% | 0 pts | (4 pts) | 8 pts |
| R&D – operating | $2.4 | (15%) | 1 pts | (8 pts) | (8 pts) |
| IP and custom development income | ($0.2) | (25%) | | | |
| Other (income)/expense - operating | ($0.2) | 5% | | | |
| Interest expense | $0.5 | 0% | | | |

$ in billions
*Includes acquisitions in the last twelve months net of non-operating acquisition-related charges and includes impact of closed divested businesses
**Represents the percentage change after excluding the impact of currency translation & hedges, acquisitions and divestitures

# Balance sheet summary

| | Sep 26 | Dec 25 | Sep 25 |
|---|---|---|---|
| Cash & marketable securities | $11.1 | $14.5 | $14.9 |
| Core (non-IBM Financing) assets* | $129.7 | $120.4 | $118.7 |
| IBM Financing assets | $14.2 | $17.0 | $12.8 |
| Total assets | $155.0 | $151.9 | $146.3 |
| | | | |
| Other liabilities | $55.0 | $57.9 | $55.2 |
| Core (non-IBM Financing) debt* | $51.2 | $46.2 | $51.8 |
| IBM Financing debt | $12.7 | $15.1 | $11.3 |
| Total debt | $63.8 | $61.3 | $63.1 |
| Total liabilities | $118.8 | $119.1 | $118.3 |
| Equity | $36.2 | $32.7 | $28.0 |

$ in billions
*Includes eliminations of inter-company activity

# Free cash flow summary

| | QTD 3Q26 | B/(W) Yr/Yr | YTD 3Q26 | B/(W) Yr/Yr |
|---|---|---|---|---|
| Net cash from operations | $4.0 | $0.9 | $11.8 | $2.6 |
| Less: IBM Financing receivables | $0.5 | $0.2 | $2.8 | $1.9 |
| Net cash from operations (excluding IBM Financing receivables) | $3.5 | $0.7 | $9.0 | $0.7 |
| Net capital expenditures | ($0.5) | ($0.0) | ($1.2) | ($0.1) |
| Free cash flow (excluding IBM Financing receivables) | $3.0 | $0.7 | $7.8 | $0.6 |

$ in billions

# Statement of cash flows

| | QTD 3Q26 | QTD 3Q25 | YTD 3Q26 | YTD 3Q25 |
|---|---|---|---|---|
| Net income | $2.2 | $1.7 | $5.6 | $5.0 |
| Depreciation* | $0.6 | $0.6 | $1.6 | $1.7 |
| Amortization of capitalized software and acquired intangible assets | $0.8 | $0.7 | $2.4 | $2.0 |
| Stock-based compensation | $0.5 | $0.4 | $1.5 | $1.3 |
| Net (gain)/loss on divestitures, asset sales and other | ($0.0) | ($0.0) | ($0.1) | ($0.0) |
| Changes in operating assets and liabilities, net of acquisitions/divestitures | ($0.0) | ($0.4) | $0.8 | ($0.8) |
| Net cash provided by Operating Activities | $4.0 | $3.1 | $11.8 | $9.2 |
| Payments for property, plant and equipment | ($0.3) | ($0.3) | ($0.8) | ($0.7) |
| Proceeds from disposition of property, plant and equipment/other | $0.0 | $0.0 | $0.1 | $0.1 |
| Investment in software | ($0.2) | ($0.2) | ($0.5) | ($0.5) |
| Purchases of marketable securities and other investments | ($1.9) | ($1.2) | ($4.8) | ($8.9) |
| Proceeds from disposition of marketable securities and other investments | $0.6 | $1.2 | $3.8 | $6.2 |
| Acquisition of businesses, net of cash acquired | ($0.9) | ($0.1) | ($11.4) | ($7.9) |
| Divestiture of businesses, net of cash transferred | $0.0 | $0.0 | $0.0 | ($0.0) |
| Net cash provided by/(used in) investing activities | ($2.6) | ($0.4) | ($13.5) | ($11.7) |
| Proceeds from new debt | $2.0 | $0.0 | $9.4 | $8.4 |
| Payments to settle debt | ($0.1) | ($1.1) | ($7.3) | ($3.7) |
| Short-term borrowings/(repayments) less than 90 days — net | $0.0 | ($0.0) | $0.0 | ($0.0) |
| Common stock repurchases for tax withholdings | ($0.4) | ($0.4) | ($0.8) | ($0.9) |
| Proceeds from issuance of shares | $0.1 | $0.1 | $0.6 | $0.5 |
| Noncontrolling interest transactions** | $0.6 | - | $0.6 | ($0.0) |
| Financing — other** | ($0.0) | ($0.1) | ($0.1) | ($0.1) |
| Cash dividends paid | ($1.6) | ($1.6) | ($4.8) | ($4.7) |
| Net cash provided by/(used in) financing activities | $0.6 | ($3.0) | ($2.4) | ($0.4) |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | $0.0 | ($0.1) | ($0.2) | $0.4 |

$ in billions
*Includes operating lease right-of-use assets amortization
**PY amounts have been reclassified to conform to the change in the 2026 presentation

# Software segment categories

## Revenue categories

The Software portfolio delivers end-to-end enterprise capabilities for Hybrid Cloud and AI:

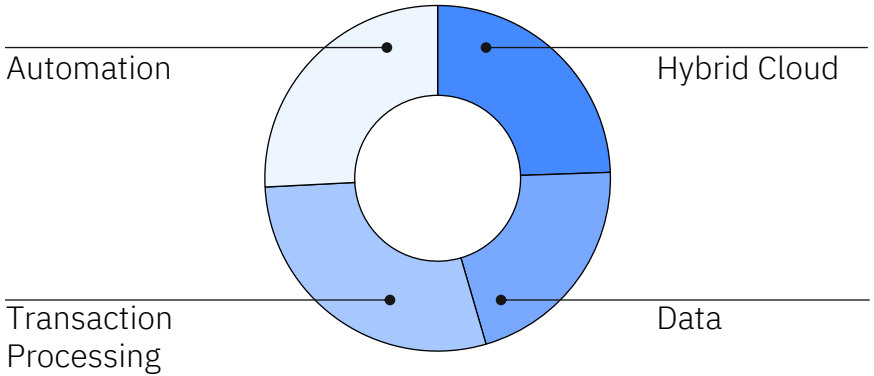
**Hybrid Cloud**
incl. RHEL, OpenShift, Ansible, Red Hat AI

**Automation**
incl. application development & integration, infrastructure lifecycle management incl. HashiCorp, network management, security software for identity access management and threat management, observability, FinOps, IT financial management, asset lifecycle management

**Data**
incl. AI assistants and agents, AI tools and governance, databases, data intelligence, data integration, data security, Confluent

**Transaction Processing**
incl. Customer Information Control System and storage software, analytics and integration software on IBM operating systems, AI assistants for Z, security software for Z

## Revenue categories – FY 2025



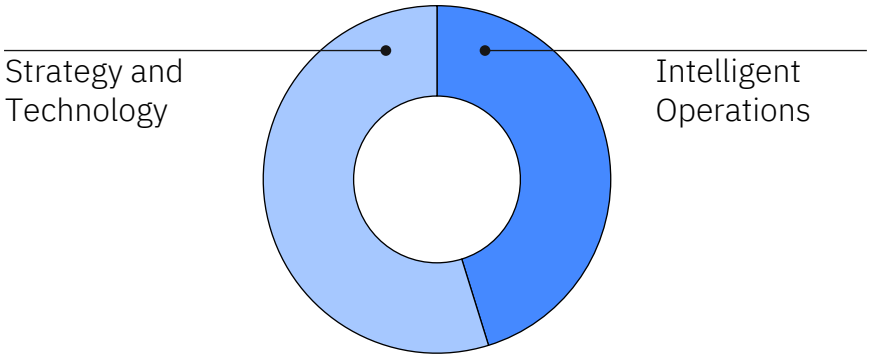
# Consulting segment categories

## Revenue categories

**Strategy and Technology**
Provides advice on strategy, process design, system implementation, cloud architecture and implementation services for complex end-to-end business transformations with hybrid cloud and AI, and modernize applications, data and technology. By leveraging IBM technology - including Red Hat – and an ecosystem of partners - including Adobe, AWS, Microsoft, Oracle, Palo Alto Networks, Salesforce and SAP, among others - we enable clients to drive innovation and achieve business outcomes

**Intelligent Operations**
Operates application workflows and business processes, manage application data, AI, and hybrid cloud workflows, and integrate security solutions to de-risk and prevent threats. By leveraging AI-powered solutions, we deliver faster, more efficient outcomes that help clients scale and innovate securely

## Revenue categories – FY 2025



# Infrastructure segment categories

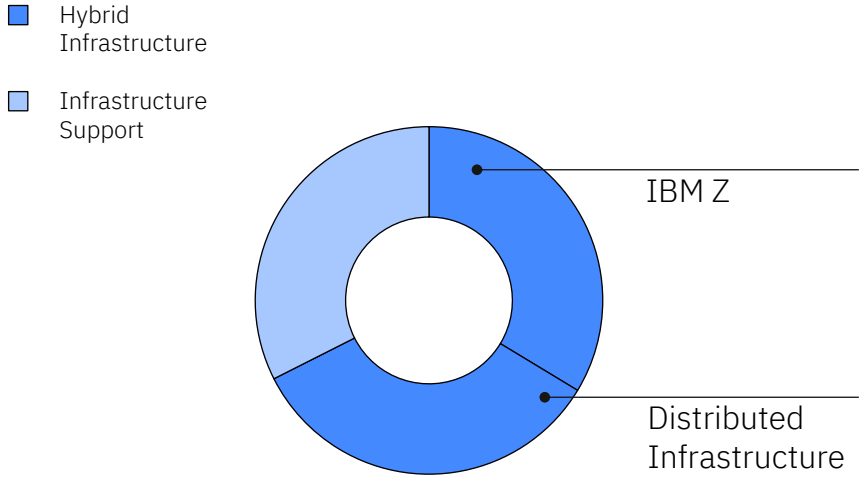
## Revenue categories

**Hybrid Infrastructure**
Innovative infrastructure platforms to help meet the new requirements of hybrid multi-cloud and enterprise AI workloads leveraging flexible and as-a-service consumption models:

- IBM Z: incl. hardware and operating system
- Distributed Infrastructure: incl. Power hardware and operating system, storage hardware, IBM Cloud IaaS, OEM asset recovery service

**Infrastructure Support**
Comprehensive, proactive and AI enabled services to maintain and improve the availability and value of clients' IT infrastructure (hardware and software) both on-premises and in the cloud incl. maintenance for IBM products and other technology platforms

## Revenue categories – FY 2025



# Non-GAAP supplemental materials

## Reconciliation of revenue performance – 3Q 2026 & 3Q 2026 YTD

| | 3Q26 Yr/Yr | |
|---|---|---|
| | GAAP | @CC |
| Total revenue | 5% | 6% |
| | | |
| Americas | 5% | 5% |
| Europe/ME/Africa | 3% | 4% |
| Asia Pacific | 6% | 10% |

| | 3Q26 YTD Yr/Yr | |
|---|---|---|
| | GAAP | @CC |
| Total revenue | 5% | 4% |

The above reconciles the non-GAAP financial information contained in the “Financial highlights”, “Summary”, “Revenue and P&L highlights”, and “Prepared remarks” discussions in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated October 21, 2026, for additional information on the use of these non-GAAP financial measures.

# Non-GAAP supplemental materials

## Reconciliation of segment revenue performance – 3Q 2026

| | 3Q26 Yr/Yr | |
|---|---|---|
| | GAAP | @CC |
| Software | 8% | 9% |
| Hybrid Cloud | 11% | 11% |
| Automation | (3%) | (3%) |
| Data | 19% | 20% |
| Transaction Processing | 9% | 10% |
| ARR | 7% | 8% |

| | 3Q26 Yr/Yr | |
|---|---|---|
| | GAAP | @CC |
| Consulting | Flat | 2% |
| Strategy and Technology | 2% | 4% |
| Intelligent Operations | (2%) | Flat |
| Infrastructure | 4% | 5% |
| Hybrid Infrastructure | 8% | 9% |
| IBM Z | (20%) | (19%) |
| Distributed Infrastructure | 31% | 32% |
| Infrastructure Support | (3%) | (2%) |

The above reconciles the non-GAAP financial information contained in the “Software”, “Consulting”, “Infrastructure”, “Software & Infrastructure segment details”, “Consulting segment details” and “Prepared remarks” discussions in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated October 21, 2026, for additional information on the use of these non-GAAP financial measures.

# Non-GAAP supplemental materials

## Reconciliation of expense summary – 3Q 2026

| | GAAP | 3Q26 Non-GAAP adjustments | Operating (non-GAAP) |
|---|---|---|---|
| SG&A | | | |
| Currency | 0 pts | 0 pts | 0 pts |
| Acquisitions/divestitures | (4 pts) | 0 pts | (4 pts) |
| Base* | 6 pts | 2 pts | 8 pts |
| R&D | | | |
| Currency | 1 pts | 0 pts | 1 pts |
| Acquisitions/divestitures | (7 pts) | 0 pts | (8 pts) |
| Base* | (8 pts) | 0 pts | (8 pts) |
| Operating expense & other income | | | |
| Currency | 2 pts | 0 pts | 2 pts |
| Acquisitions/divestitures | (5 pts) | 0 pts | (5 pts) |
| Base* | (1 pts) | 2 pts | 1 pts |

*Represents the percentage change after excluding the impact of currency translation & hedges, acquisitions and divestitures

The above reconciles the non-GAAP financial information contained in the “Expense summary” discussion in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated October 21, 2026, for additional information on the use of these non-GAAP financial measures.

# Non-GAAP supplemental materials

## Reconciliation of continuing operations – 3Q 2026

| | 3Q26 | | | | |
|---|---|---|---|---|---|
| | GAAP | Acquisition-related adjustments | Retirement-related adjustments | Tax reform impacts | Operating (non-GAAP) |
| Gross profit | $9,714 | $289 | — | — | $10,004 |
| Gross profit margin | 56.8% | 1.7 pts | — | — | 58.5% |
| SG&A | 4,620 | (428) | — | — | 4,193 |
| R&D | 2,378 | 10 | — | — | 2,388 |
| Other (income) & expense | (109) | 0 | (91) | — | (200) |
| Total expense & other (income) | 7,217 | (418) | (91) | — | 6,708 |
| Pre-tax income | 2,497 | 707 | 91 | — | 3,295 |
| Pre-tax income margin | 14.6% | 4.1 pts | 0.5 pts | — | 19.3% |
| Effective tax rate | 11.9% | 2.5 pts | 0.3 pts | — | 14.7% |
| Income from cont. ops. | 2,199 | 542 | 71 | — | 2,812 |
| Income margin from cont. ops. | 12.9% | 3.2 pts | 0.4 pts | — | 16.4% |
| Diluted earnings per share | $2.31 | $0.57 | $0.07 | — | $2.95 |

$ in millions (except EPS which is in whole dollars)

The above reconciles the non-GAAP financial information contained in the “Summary”, “Revenue and P&L highlights”, “Expense summary” and “Prepared remarks” discussions in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated October 21, 2026, for additional information on the use of these non-GAAP financial measures.

# Non-GAAP supplemental materials

## Reconciliation of GAAP net income to adjusted EBITDA

| | QTD 3Q26 | Yr/Yr | YTD 3Q26 | Yr/Yr |
|---|---|---|---|---|
| Net income as reported (GAAP) | $2.2 | $0.4 | $5.6 | $0.6 |
| Less: income/(loss) from discontinued operations, net of tax | $0.0 | $0.0 | $0.0 | $0.0 |
| Income from continuing operations | $2.2 | $0.5 | $5.6 | $0.6 |
| Provision for/(benefit from) income taxes from continuing operations | $0.3 | ($0.4) | $0.8 | ($0.4) |
| Pre-tax income from continuing operations (GAAP) | $2.5 | $0.1 | $6.4 | $0.2 |
| Non-operating adjustments (before tax) | | | | |
| Acquisition-related charges* | $0.7 | $0.1 | $2.1 | $0.3 |
| Non-operating retirement-related costs/(income) | $0.1 | $0.1 | $0.3 | $0.2 |
| Operating (non-GAAP) pre-tax income from continuing operations | $3.3 | $0.3 | $8.7 | $0.7 |
| Net interest expense | $0.4 | $0.1 | $1.1 | $0.2 |
| Depreciation/amortization of non-acquired intangible assets | $0.7 | $0.0 | $2.1 | $0.0 |
| Stock-based compensation | $0.5 | $0.1 | $1.5 | $0.3 |
| Workforce rebalancing charges | $0.0 | $0.0 | $0.4 | $0.0 |
| Corporate (gains) and charges** | $0.0 | $0.0 | ($0.2) | ($0.2) |
| Adjusted EBITDA | $4.9 | $0.3 | $13.7 | $1.0 |
| Revenue | $17.1 | 5% | $50.2 | 5% |
| GAAP net income margin | 13% | 2.1 pts | 11% | 0.7 pts |
| Adjusted EBITDA margin | 29% | 0.6 pts | 27% | 0.8 pts |

$ in billions

*Primarily consists of amortization of acquired intangible assets

**Primarily consists of unique corporate actions such as gains on divestitures and asset sales

The above reconciles the non-GAAP financial information contained in the “Summary”, “Financial highlights”, “Revenue and P&L highlights", “Adjusted EBITDA performance” and "Prepared remarks” discussions in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated October 21, 2026, for additional information on the use of these non-GAAP financial measures.

# Non-GAAP supplemental materials

## Reconciliation of net cash from operations to adjusted EBITDA

| | QTD 3Q26 | QTD 3Q25 | YTD 3Q26 | YTD 3Q25 |
|---|---|---|---|---|
| Net cash provided by operating activities | $4.0 | $3.1 | $11.8 | $9.2 |
| Add: | | | | |
| Net interest expense | $0.4 | $0.3 | $1.1 | $0.9 |
| Provision for/(benefit from) income taxes from continuing operations | $0.3 | $0.7 | $0.8 | $1.2 |
| Less change in: | | | | |
| Financing receivables | $0.5 | $0.3 | $2.8 | $0.9 |
| Net (gain)/loss on divestitures, asset sales and other* | $0.0 | $0.0 | ($0.1) | $0.0 |
| Other assets and liabilities/other, net*,** | ($0.7) | ($0.8) | ($2.6) | ($2.2) |
| Adjusted EBITDA | $4.9 | $4.6 | $13.7 | $12.7 |
| | | | | |
| Revenue | $17.1 | $16.3 | $50.2 | $47.8 |
| Net cash provided by operating activities margin | 24% | 19% | 23% | 19% |
| Adjusted EBITDA margin | 29% | 28% | 27% | 26% |

$ in billions

*Aligned with the Consolidated Statement of Cash Flows in the 10-Q

**Mainly consists of Changes in operating assets and liabilities, net of acquisitions/divestitures in the “Statement of Cash Flows” discussion, workforce rebalancing charges, non-operating impacts and corporate (gains) and charges, less Financing receivables

The above reconciles the non-GAAP financial information contained in the “Prepared remarks” discussion in the company’s earnings presentation. See Exhibit 99.2 included in the company’s Form 8-K dated October 21, 2026, for additional information on the use of these non-GAAP financial measures.

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